

**ELLINWOOD UNIFIED SCHOOL
DISTRICT NO. 355
ELLINWOOD, KANSAS**
Financial Statements
With Independent Auditors' Report
For the Year Ended June 30, 2009

ADAMS, BROWN, BERAN & BALL, CHTD
Certified Public Accountants
Great Bend, Kansas

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Financial Statements
With Independent Auditors' Report
For the Year Ended June 30, 2009

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Certified
Public
Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Ellinwood Unified School District No. 355
Ellinwood, KS 67526

We have audited the accompanying financial statements of **Ellinwood Unified School District No. 355, Ellinwood, Kansas**, as of and for the year ended June 30, 2009, as listed in the Table of Contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with the Kansas Municipal Audit Guide and with auditing standards generally accepted in the United States of America. Those standards and the audit guide require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 1-C, **Ellinwood Unified School District No. 355, Ellinwood, Kansas**, prepared its financial statements using accounting practices prescribed or permitted by the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter described in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Ellinwood Unified School District No. 355, Ellinwood, Kansas**, as of June 30, 2009, or changes in financial position for the year then ended. Further, **Ellinwood Unified School District No. 355, Ellinwood, Kansas**, has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of **Ellinwood Unified School District No. 355, Ellinwood, Kansas**, as of June 30, 2009, their respective cash receipts and disbursements, and budgetary results for the year ended, on the basis of accounting described in Note 1-C.

ADAMS, BROWN, BERAN & BALL, CHTD.
Certified Public Accountants

October 12, 2009

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS

Summary of Cash Receipts, Expenditures, and Unencumbered Cash (Statutory Basis)
For the Year Ended June 30, 2009

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Fund Categories -							
General Funds:							
General Fund	\$ (237,689)	-	3,615,323	3,614,304	(236,670)	-	(236,670)
Supplemental General Fund	34,093	-	930,733	915,849	48,977	-	48,977
Special Revenue Funds:							
Capital Outlay Fund	678,236	-	68,486	-	746,722	-	746,722
Vocational Education Fund	-	-	195,115	195,115	-	-	-
Special Education Fund	205,064	-	626,727	626,396	205,395	-	205,395
Food Service Fund	33,829	-	236,801	224,633	45,997	-	45,997
Driver Training Fund	41,518	-	4,708	7,982	38,244	-	38,244
KPERS Retirement Contributions Fund	-	-	196,871	196,871	-	-	-
Professional Development Fund	547	-	64,597	37,141	28,003	-	28,003
Summer School Fund	10,186	-	-	391	9,795	-	9,795
Contingency Fund	146,846	-	100,000	-	246,846	-	246,846
Textbook Rental Fund	38,376	-	24,813	8,629	54,560	-	54,560
Title I Fund	(94)	5	73,950	73,950	(89)	-	(89)
Title IIa Fund	-	-	28,562	28,562	-	-	-
Title IIc Fund	-	-	707	707	-	-	-
Title IV Fund	-	-	1,591	1,591	-	-	-
At Risk Fund (K-12)	-	-	238,600	238,600	-	-	-
Grants Fund	343	-	37,086	36,283	1,146	-	1,146
District Activity Funds	10,104	-	88,126	87,796	10,434	-	10,434
Debt Service Fund:							
Bond and Interest Fund	568,018	-	648,793	529,088	687,723	-	687,723
Total Reporting Entity (Excluding Agency Funds)	\$ 1,529,377	5	7,181,589	6,823,888	1,887,083	-	1,887,083

Composition of Cash:

Checking Accounts	\$ 18,255
Savings Accounts	1,915,813
Total Cash	1,934,068
Agency Funds per Statement 4	(46,985)

Total Reporting Entity (Excluding Agency Funds) \$ 1,887,083

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Summary of Expenditures - Actual and Budget (Statutory Basis)
For the Year Ended June 30, 2009

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Favorable (Unfavorable)</u>
Governmental Fund Categories -						
General Funds:						
General Fund	\$ 3,721,947	(144,307)	36,733	3,614,373	3,614,304	69
Supplemental General Fund	915,850	-	-	915,850	915,849	1
Special Revenue Funds:						
Capital Outlay Fund	475,000	-	-	475,000	-	475,000
Vocational Education Fund	197,248	-	-	197,248	195,115	2,133
Special Education Fund	696,751	-	-	696,751	626,396	70,355
Food Service Fund	276,051	-	-	276,051	224,633	51,418
Driver Training Fund	10,823	-	-	10,823	7,982	2,841
KPERS Retirement Contributions Fund	251,470	-	-	251,470	196,871	54,599
Professional Development Fund	59,014	-	-	59,014	37,141	21,873
Summer School Fund	9,743	-	-	9,743	391	9,352
At Risk Fund (K-12)	268,217	-	-	268,217	238,600	29,617
Debt Service Fund:						
Bond and Interest Fund	529,088	-	-	529,088	529,088	-

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355

ELLINWOOD, KANSAS

General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget (Statutory Basis)

For the Year Ended June 30, 2009

(With Comparative Actual Totals for the Prior Year Ended June 30, 2008)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes and Shared Revenue	\$ 543,262	634,939	606,994	27,945
Intergovernmental Revenue-				
State Special Education	437,335	443,078	468,292	(25,214)
Equalization Aid	2,653,499	2,500,573	2,640,394	(139,821)
Reimbursed Expenses	78,516	36,733 a)	-	36,733
Total Cash Receipts	<u>3,712,612</u>	<u>3,615,323</u>	<u>3,715,680</u>	<u>(100,357)</u>
Expenditures:				
Instruction	1,753,919	1,566,531	1,893,440	326,909
Student Support Services	32,085	38,659	30,117	(8,542)
Instructional Support Staff	5,580	5,336	9,000	3,664
General Administration	207,950	195,251	258,908	63,657
School Administration	255,306	259,395	260,508	1,113
Operations and Maintenance	340,355	327,535	257,876	(69,659)
Student Transportation Services	137,655	121,252	102,500	(18,752)
Community Service Operations	119,379	116,562	146,124	29,562
Operating Transfers Out	819,871	983,783	763,474	(220,309)
Adjustment to Comply with Legal Max	-	-	(144,307)	(144,307)
Legal General Fund Budget	<u>3,672,100</u>	<u>3,614,304</u>	<u>3,577,640</u>	<u>(36,664)</u>
Adjustment for Qualifying Budget Credits	-	-	36,733 a)	36,733
Total Expenditures	<u>3,672,100</u>	<u>3,614,304</u>	<u>3,614,373</u>	<u>69</u>
Receipts Over (Under) Expenditures	40,512	1,019		
Unencumbered Cash, July 1	(278,367)	(237,689)		
Prior Year Cancelled Encumbrances	<u>166</u>	<u>-</u>		
Unencumbered Cash, June 30	<u>\$ (237,689)</u>	<u>(236,670)</u>		

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355

ELLINWOOD, KANSAS

Supplemental General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget (Statutory Basis)

For the Year Ended June 30, 2009

(With Comparative Actual Totals for the Prior Year Ended June 30, 2008)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes and Shared Revenue	\$ 622,364	701,110	633,948	67,162
Intergovernmental Revenue- Equalization Aid	290,322	229,623	262,483	(32,860)
Total Cash Receipts	<u>912,686</u>	<u>930,733</u>	<u>896,431</u>	<u>34,302</u>
Expenditures:				
Instruction	215,030	254,542	240,602	(13,940)
General Administration	7,190	4,050	-	(4,050)
School Administration	5,849	-	-	-
Operations and Maintenance	359,344	328,109	143,000	(185,109)
Student Transportation Services	625	-	-	-
Building Repair and Remodel	2,399	-	-	-
Operating Transfers Out	309,563	329,148	532,248	203,100
Total Expenditures	<u>900,000</u>	<u>915,849</u>	<u>915,850</u>	<u>1</u>
Receipts Over (Under) Expenditures	12,686	14,884		
Unencumbered Cash, July 1	16,257	34,093		
Prior Year Cancelled Encumbrances	<u>5,150</u>	<u>-</u>		
Unencumbered Cash, June 30	<u>\$ 34,093</u>	<u>48,977</u>		

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355

ELLINWOOD, KANSAS

Capital Outlay Fund

Statement of Cash Receipts and Expenditures - Actual and Budget (Statutory Basis)

For the Year Ended June 30, 2009

(With Comparative Actual Totals for the Prior Year Ended June 30, 2008)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes and Shared Revenue	\$ 36	-	-	-
Interest Income	73,664	27,312	75,000	(47,688)
Lease Income	3,000	31,174	15,000	16,174
Operating Transfers In	-	10,000	-	10,000
Total Cash Receipts	<u>76,700</u>	<u>68,486</u>	<u>90,000</u>	<u>(21,514)</u>
Expenditures:				
Instruction	-	-	325,000	325,000
Student Transportation Services	76,989	-	150,000	150,000
Facility Acquisition and Construction	12,341	-	-	-
Total Expenditures	<u>89,330</u>	<u>-</u>	<u>475,000</u>	<u>475,000</u>
Receipts Over (Under) Expenditures	(12,630)	68,486		
Unencumbered Cash, July 1	<u>690,866</u>	<u>678,236</u>		
Unencumbered Cash, June 30	<u>\$ 678,236</u>	<u>746,722</u>		

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355

ELLINWOOD, KANSAS

Vocational Education Fund

Statement of Cash Receipts and Expenditures - Actual and Budget (Statutory Basis)

For the Year Ended June 30, 2009

(With Comparative Actual Totals for the Prior Year Ended June 30, 2008)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Operating Transfers In	\$ 173,882	195,115	<u>197,248</u>	<u>(2,133)</u>
Expenditures:				
Instruction	167,545	189,334	189,010	(324)
Operations and Maintenance	<u>6,337</u>	<u>5,781</u>	<u>8,238</u>	<u>2,457</u>
Total Expenditures	<u>173,882</u>	<u>195,115</u>	<u>197,248</u>	<u>2,133</u>
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	\$ <u>-</u>	<u>-</u>		

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Special Education Fund

Statement of Cash Receipts and Expenditures - Actual and Budget (Statutory Basis)

For the Year Ended June 30, 2009

(With Comparative Actual Totals for the Prior Year Ended June 30, 2008)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Operating Transfers In	\$ 615,028	626,727	635,000	(8,273)
Expenditures:				
Instruction	584,125	589,590	653,814	64,224
Student Transportation Services	30,396	36,806	42,937	6,131
Total Expenditures	614,521	626,396	696,751	70,355
Receipts Over (Under) Expenditures	507	331		
Unencumbered Cash, July 1	204,557	205,064		
Unencumbered Cash, June 30	\$ 205,064	205,395		

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355

ELLINWOOD, KANSAS

Food Service Fund

Statement of Cash Receipts and Expenditures - Actual and Budget (Statutory Basis)

For the Year Ended June 30, 2009

(With Comparative Actual Totals for the Prior Year Ended June 30, 2008)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Intergovernmental Revenue-				
State Aid	\$ 2,527	2,258	2,382	(124)
Federal Aid	97,710	101,888	94,322	7,566
Student Sales	60,428	65,170	63,686	1,484
Adult Sales	7,645	8,408	14,556	(6,148)
Other Income	977	1,824	1,500	324
Operating Transfers In	50,000	57,253	80,000	(22,747)
Total Cash Receipts	219,287	236,801	256,446	(19,645)
Expenditures:				
Food Service Operation	213,805	224,633	276,051	51,418
Receipts Over (Under) Expenditures	5,482	12,168		
Unencumbered Cash, July 1	28,295	33,829		
Prior Year Cancelled Encumbrances	52	-		
Unencumbered Cash, June 30	\$ 33,829	45,997		

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355

ELLINWOOD, KANSAS

Driver Training Fund

Statement of Cash Receipts and Expenditures - Actual and Budget (Statutory Basis)

For the Year Ended June 30, 2009

(With Comparative Actual Totals for the Prior Year Ended June 30, 2008)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Intergovernmental Revenue-				
State Aid	\$ 4,290	1,140	3,780	(2,640)
Other Income	3,554	3,568	2,554	1,014
Total Cash Receipts	7,844	4,708	6,334	(1,626)
Expenditures:				
Instruction	5,525	6,540	9,023	2,483
Operations and Maintenance	2,398	1,442	1,800	358
Total Expenditures	7,923	7,982	10,823	2,841
Receipts Over (Under) Expenditures	(79)	(3,274)		
Unencumbered Cash, July 1	41,597	41,518		
Unencumbered Cash, June 30	\$ 41,518	38,244		

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355

ELLINWOOD, KANSAS

KPERS Retirement Contributions Fund

Statement of Cash Receipts and Expenditures - Actual and Budget (Statutory Basis)

For the Year Ended June 30, 2009

(With Comparative Actual Totals for the Prior Year Ended June 30, 2008)

		Current Year		Variance
	Prior Year			Favorable
	Actual	Actual	Budget	(Unfavorable)
Cash Receipts:				
Intergovernmental Revenue-				
State Aid	\$ 201,176	196,871	251,470	(54,599)
Expenditures:				
Instruction	124,951	122,277	156,189	33,912
Student Support Services	8,519	8,337	10,649	2,312
Instructional Support Staff	11,311	11,069	14,139	3,070
General Administration	5,017	4,910	6,271	1,361
School Administration	27,062	26,482	33,827	7,345
Operations and Maintenance	12,058	11,800	15,073	3,273
Student Transportation Services	3,655	3,577	4,569	992
Student Activities	1,748	1,710	2,184	474
Food Service	6,855	6,709	8,569	1,860
Total Expenditures	201,176	196,871	251,470	54,599
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	\$ -	-		

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355

ELLINWOOD, KANSAS

Professional Development Fund

Statement of Cash Receipts and Expenditures - Actual and Budget (Statutory Basis)

For the Year Ended June 30, 2009

(With Comparative Actual Totals for the Prior Year Ended June 30, 2008)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Intergovernmental Revenue-				
State Aid	\$ 4,548	4,174	3,722	452
Operating Transfers In	52,561	60,423	65,000	(4,577)
Total Cash Receipts	57,109	64,597	68,722	(4,125)
Expenditures:				
Instruction	47,828	27,526	59,014	31,488
General Administration	8,011	6,856	-	(6,856)
School Administration	1,062	2,759	-	(2,759)
Total Expenditures	56,901	37,141	59,014	21,873
Receipts Over (Under) Expenditures	208	27,456		
Unencumbered Cash, July 1	151	547		
Prior Year Cancelled Encumbrances	188	-		
Unencumbered Cash, June 30	\$ 547	28,003		

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Summer School Fund

Statement of Cash Receipts and Expenditures - Actual and Budget (Statutory Basis)
For the Year Ended June 30, 2009
(With Comparative Actual Totals for the Prior Year Ended June 30, 2008)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts	\$ -	-	-	-
Expenditures:				
Instruction	1,203	391	9,743	9,352
Receipts Over (Under) Expenditures	(1,203)	(391)		
Unencumbered Cash, July 1	11,389	10,186		
Unencumbered Cash, June 30	\$ 10,186	9,795		

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355**ELLINWOOD, KANSAS****Contingency Fund**

Statement of Cash Receipts and Expenditures - Actual (Statutory Basis)

For the Year Ended June 30, 2009

(With Comparative Actual Totals for the Prior Year Ended June 30, 2008)

	<u>Prior Year</u>	<u>Current Year</u>
Cash Receipts:		
Operating Transfers In	\$ -	100,000
Expenditures:		
Equipment	<u>32,008</u>	<u>-</u>
Receipts Over (Under) Expenditures	(32,008)	100,000
Unencumbered Cash, July 1	<u>178,854</u>	<u>146,846</u>
Unencumbered Cash, June 30	\$ <u><u>146,846</u></u>	<u><u>246,846</u></u>

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355

ELLINWOOD, KANSAS

Textbook Rental Fund

Statement of Cash Receipts and Expenditures - Actual (Statutory Basis)

For the Year Ended June 30, 2009

(With Comparative Actual Totals for the Prior Year Ended June 30, 2008)

	Prior Year	Current Year
Cash Receipts:		
Operating Transfers In	\$ 28,006	24,813
Expenditures:		
Textbook Purchases	1,119	8,629
Receipts Over (Under) Expenditures	26,887	16,184
Unencumbered Cash, July 1	10,422	38,376
Prior Year Cancelled Encumbrances	1,067	-
Unencumbered Cash, June 30	\$ 38,376	54,560

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355

ELLINWOOD, KANSAS

Title I Fund

Statement of Cash Receipts and Expenditures - Actual (Statutory Basis)

For the Year Ended June 30, 2009

(With Comparative Actual Totals for the Prior Year Ended June 30, 2008)

	Prior Year	Current Year
Cash Receipts:		
Intergovernmental Revenue-		
Title I Federal Aid	\$ 58,035	73,950
Expenditures:		
Instruction	57,058	72,881
School Administration	1,071	1,069
Total Expenditures	58,129	73,950
Receipts Over (Under) Expenditures	(94)	-
Unencumbered Cash, July 1	-	(94)
Prior Year Cancelled Encumbrances	-	5
Unencumbered Cash, June 30	\$ (94)	(89)

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355**ELLINWOOD, KANSAS****Title Ila Fund****Statement of Cash Receipts and Expenditures - Actual (Statutory Basis)****For the Year Ended June 30, 2009****(With Comparative Actual Totals for the Prior Year Ended June 30, 2008)**

	<u>Prior Year</u>	<u>Current Year</u>
Cash Receipts:		
Intergovernmental Revenue-		
Title Ila Federal Aid	\$ -	28,562
Expenditures:		
Instruction	-	26,019
Student Support Services	-	2,543
Total Expenditures	-	28,562
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, July 1	-	-
Unencumbered Cash, June 30	\$ -	-

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355

ELLINWOOD, KANSAS

Title IId Fund

Statement of Cash Receipts and Expenditures - Actual (Statutory Basis)

For the Year Ended June 30, 2009

(With Comparative Actual Totals for the Prior Year Ended June 30, 2008)

	Prior Year	Current Year
Cash Receipts:		
Intergovernmental Revenue-		
Title IId Federal Aid	-	707
Expenditures:		
Instruction	-	94
Student Support Services	-	613
Total Expenditures	-	707
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, July 1	-	-
Unencumbered Cash, June 30	\$ -	-

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355

ELLINWOOD, KANSAS

Title IV Fund

Statement of Cash Receipts and Expenditures - Actual (Statutory Basis)

For the Year Ended June 30, 2009

(With Comparative Actual Totals for the Prior Year Ended June 30, 2008)

	Prior Year	Current Year
Cash Receipts:		
Intergovernmental Revenue-		
Title IV Federal Aid	-	1,591
Expenditures:		
Instruction	-	1,397
Instructional Support Staff	-	194
Total Expenditures	-	1,591
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, July 1	-	-
Unencumbered Cash, June 30	\$ -	-

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
At Risk Fund (K-12)

Statement of Cash Receipts and Expenditures - Actual and Budget (Statutory Basis)
For the Year Ended June 30, 2009
(With Comparative Actual Totals for the Prior Year Ended June 30, 2008)

		Current Year		
	Prior Year	Current Year	Budget	Variance Favorable (Unfavorable)
Cash Receipts:				
Operating Transfers In	\$ 209,957	238,600	318,474	(79,874)
Miscellaneous	-	-	9,743	(9,743)
Total Cash Receipts	209,957	238,600	328,217	(89,617)
Expenditures:				
Instruction	209,957	238,600	268,217	29,617
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	\$ -	-		

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Grants Fund

Statement of Cash Receipts and Expenditures - Actual (Statutory Basis)
For the Year Ended June 30, 2009
(With Comparative Actual Totals for the Prior Year Ended June 30, 2008)

	Prior Year	Current Year
Cash Receipts:		
Intergovernmental Revenue-		
Federal Aid	\$ 55,439	22,690
Pass-through from ESSDACK	2,752	4,359
Other Revenue from Local Sources	9,315	10,037
Total Cash Receipts	67,506	37,086
Expenditures:		
Instruction	27,892	922
Student Support Services	940	-
Instructional Support Staff	1,544	1,393
General Administration	2,768	4,359
Other Supplemental Services	25,740	22,690
Operations and Maintenance	8,279	6,919
Total Expenditures	67,163	36,283
Receipts Over (Under) Expenditures	343	803
Unencumbered Cash, July 1	-	343
Unencumbered Cash, June 30	\$ 343	1,146

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Bond and Interest Fund

Statement of Cash Receipts and Expenditures - Actual and Budget (Statutory Basis)
For the Year Ended June 30, 2009
(With Comparative Actual Totals for the Prior Year Ended June 30, 2008)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes and Shared Revenue	\$ 404,485	569,420	533,874	35,546
Interest Income	-	-	14,980	(14,980)
Intergovernmental Revenue- State Aid	85,560	79,373	79,363	10
Total Cash Receipts	<u>490,045</u>	<u>648,793</u>	<u>628,217</u>	<u>20,576</u>
Expenditures:				
Principal Payments	250,000	265,000	265,000	-
Interest Payments	284,688	264,088	264,088	-
Total Expenditures	<u>534,688</u>	<u>529,088</u>	<u>529,088</u>	<u>-</u>
Receipts Over (Under) Expenditures	(44,643)	119,705		
Unencumbered Cash, July 1	<u>612,661</u>	<u>568,018</u>		
Unencumbered Cash, June 30	<u>\$ 568,018</u>	<u>687,723</u>		

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355

ELLINWOOD, KANSAS

Agency Funds

Summary of Cash Receipts and Cash Disbursements (Statutory Basis)

For the Year Ended June 30, 2009

Funds	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Student Organization Funds:				
High School -				
Cheer-Spirit Squad	\$ 291	10,665	5,559	5,397
High School Band	890	1,091	1,339	642
Band Fundraisers	8,268	8,075	4,492	11,851
Athletic Fundraisers	1,141	2,314	2,355	1,100
Big Al's Tourney	-	7,465	7,465	-
Computer Technology	628	485	206	907
EHS After-Prom Organization	2,764	14,400	12,533	4,631
FFA	8,090	14,121	14,033	8,178
Kayette Club	301	126	198	229
Mystic Blues	5,761	16,661	21,569	853
EHS Today	440	-	134	306
Stuco	2,236	16,126	16,397	1,965
Weightlifting Club	162	189	189	162
Vocational Agriculture	702	11,622	10,969	1,355
National Honor Society	241	64	82	223
International Club	1,684	347	78	1,953
Entrepreneurship	643	-	70	573
FCCLA	677	2,623	2,530	770
Fellowship of Christian Athletes	38	-	-	38
Drama Club	461	42	339	164
Class of 2008	718	-	718	-
Class of 2009	3,057	975	4,032	-
Class of 2010	-	12,734	10,758	1,976
Class of 2011	74	1,372	628	818
Class of 2012	-	334	297	37
Hope Tree Fund	248	-	40	208
Insurance Clearing Fund	910	53,919	52,180	2,649
Total Agency Funds	\$ 40,425	175,750	169,190	46,985

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
District Activity Funds

Statement of Cash Receipts, Expenditures, and Unencumbered Cash (Statutory Basis)
For the Year Ended June 30, 2009

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Ellinwood High School:							
Gate Receipts	\$ 613	-	20,153	20,744	22	-	22
Athletics	531	-	18,423	18,252	702	-	702
Activity - Miscellaneous	849	-	3,576	4,424	1	-	1
Library	3,751	-	795	1,309	3,237	-	3,237
Music Equipment	1,207	-	300	466	1,041	-	1,041
Technology Fund	163	-	-	-	163	-	163
Shirts, etc.	1	-	10,888	10,727	162	-	162
Vending Machine	840	-	449	286	1,003	-	1,003
Driver's Ed	-	-	3,684	3,684	-	-	-
Eagle Exchange	261	-	1,385	1,327	319	-	319
Woodworking	1,373	-	2,451	1,827	1,997	-	1,997
Musical	515	-	7,545	6,273	1,787	-	1,787
Yearbook	-	-	11,666	11,666	-	-	-
Book Rental	-	-	6,811	6,811	-	-	-
Total District Activity Funds	\$ 10,104	-	88,126	87,796	10,434	-	10,434

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Notes to Financial Statements
June 30, 2009

1. Summary of Significant Accounting Policies:

The District has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statements are presented in order to conform to the statutory basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies:

A. Financial Reporting Entity

Ellinwood Unified School District No. 355, Ellinwood, Kansas, is a municipal corporation governed by an elected board. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding sources.

Ellinwood Unified School District No. 355, Ellinwood, Kansas, is the primary government as defined in GASB #14 and further amended by GASB #39. The School Board is elected by the public. The Board has the authority to make decisions, levy taxes, influence operations and has the primary accountability in fiscal matters.

The financial statements of the District consist of all the funds of the District and governmental entities that are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board. The District has no entities that are controlled or dependent on the District.

B. Basis of Presentation - Fund Accounting

The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following categories of funds comprise the financial activities of the District for the year ended June 30, 2009:

Governmental Fund Categories

General Fund – Reports as the primary fund of the District. The fund is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - To account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.

Debt Service Fund - To account for the accumulation of resources for, and the payment of interest and principal on long-term debt.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Notes to Financial Statements
June 30, 2009

1. Summary of Significant Accounting Policies (Continued):

B. Basis of Presentation - Fund Accounting (Continued):

Fiduciary Fund Category

Agency Funds - To account for assets held by the District in a custodial capacity as a trustee or an agent on behalf of others.

The Student Activity Fund is an agency fund that accounts for the receipts and disbursements of monies from student activity organizations. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

C. Basis of Accounting

Statutory Basis of Accounting - The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the statutory basis of accounting.

Departure from Accounting Principles Generally Accepted in the United States of America - The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, revenue obligation bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

D. Accounting for Capital Assets and Depreciation

The District does not maintain a record of capital assets used in performance of general government operations as required by generally accepted accounting principles.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Notes to Financial Statements
June 30, 2009

1. Summary of Significant Accounting Policies (Continued):

E. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Revenue Funds (unless specifically exempted by statute), and Debt Service Funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding fiscal year on or before August 1st.
2. Publication in local newspaper, on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for fiduciary funds, and the following special revenue funds:

Contingency Fund
Textbook Rental Fund
Title I Fund
Title IIa Fund
Title IIb Fund
Title IV Fund
Grants Fund
District Activity Funds

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Notes to Financial Statements
June 30, 2009

1. Summary of Significant Accounting Policies (Continued):

F. Deposits and Investments

The District follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the Summary of Cash Receipts, Expenditures, and Unencumbered Cash.

The District had no investments as of June 30, 2009.

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold District funds have a main or branch bank in the county in which the District is located or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investments of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Concentration of Credit Risk - State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 9-1405.

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2009.

Deposits - At year-end, the carrying amount of the District's deposits was \$1,934,068. The bank balance was \$2,099,431. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$1,176,938 was covered by federal depository insurance and \$922,493 was collateralized with securities held by the pledging institutions' agents in the District's name.

G. Property Tax Calendar

Collection of current year property tax by the County Treasurer is not complete, apportioned, nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Consequently, current year property tax receivables are not available as a resource that can be used to finance the current year operations of the District.

Property taxes are collected and remitted to the District by the County Treasurer. Taxes levied annually on November 1st are due one-half by December 20th and one-half by May 10th. Major tax distributions are made in the months of December through July. Lien date(s) for personal property are March and August, and for real property, it is September. Taxes are recognized as revenue in the year received. Delinquent tax payments, received throughout the year, are recognized as revenue in the year received.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355

ELLINWOOD, KANSAS

Notes to Financial Statements

June 30, 2009

1. Summary of Significant Accounting Policies (Continued):

H. Compensated Absences

Sick Leave - Policies regarding sick leave vary based upon the classification of the employee. Generally, employees are allowed from ten (10) to twelve (12) days per year, accumulative from forty-five (45) days to sixty (60) days. Days accumulated beyond the maximum accumulation are bought back at the end of the school year at rates from \$40 to \$50 per day. The District's total sick leave liability as of June 30, 2009 for certified and classified employees is approximately \$17,010.

Employees will be compensated for unused sick leave upon retirement from the District at the rates above. Based upon classification, the District may also purchase unused sick leave for terminations other than retirement. The District allows employees to voluntarily contribute a limited number of their sick leave days into a pool to be used by any member of the pool, subject to certain restrictions.

Personal Leave - Policies regarding personal leave vary based upon the classification of the employee. Generally, employees are allowed two (2) days per year, accumulative to seven (7) days. Classified employees may choose to redeem any or all days at \$40 per (8-hour) day. The District's total personal leave liability as of June 30, 2009 for certified and classified employees is approximately \$200.

Upon termination of employment, no sick or personal leave benefits will be paid out beyond the District's buy-back policy for classified or certified personnel. In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, "Accounting for Compensated Absences", no liability is recorded for nonvesting accumulating rights to receive benefits.

Vacation Leave - The Superintendent is allowed ten (10) days of vacation per year. The board secretary and the business manager are allowed fifteen (15) days per year. Other classified personnel with twelve (12) month contracts are allowed .8333 days per month of employment up to fourteen (14) years of service. For employees with fifteen (15) or more years of service, vacation days will be accrued at the rate of 1.25 days per month.

Classified employees are encouraged to use their vacation days before the end of the fiscal year, however, five (5) days of vacation are allowed to be carried over according to the classified handbook. The District's total vacation leave liability as of June 30, 2009 for certified and classified employees is approximately \$3,627.

I. Defined Benefit Pension Plan

Plan Description - Ellinwood Unified School District No. 355, Ellinwood, Kansas contributes to the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy - K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas contributed 7.97% of covered payroll for the fiscal year ending June 30, 2009. These contribution requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for all Kansas public school employees for the years ending June 30, 2009, 2008, and 2007 were \$242,277,363, \$220,815,154 and \$192,425,626 respectively, equal to the required contributions for each year.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Notes to Financial Statements
June 30, 2009

1. Summary of Significant Accounting Policies (Continued):

J. Deferred Compensation Plan

The District sponsors a deferred compensation plan under the Internal Revenue Code Section 403(b). Permanent and part time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The District is not required to make any contributions.

K. Other Post Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

L. Early Retirement Plan

Certified personnel employed during the 1996-1997 school year or prior are eligible to participate in the District's early retirement program if certain eligibility requirements are met. The employee must have completed 10 (ten) years of service with **Ellinwood Unified School District No. 355, Ellinwood, Kansas** and be eligible for KPERS retirement.

Eligibility commences on July 1 following the school year during which the 61st birthday occurs. It continues until any year between ages 61 and 65. Notification must be given to the District by April 1 in the year prior to the July 1 retirement date. Upon early retirement, the retiree will have a choice of either Plan A or Plan B to determine the amount of their early retirement benefit based on a percentage of their final base pay, and their health insurance benefit.

Plan A

<u>On or before</u>	<u>61</u>	<u>62</u>	<u>63</u>	<u>64</u>
1 st Year	8%	7%	5%	3%
2 nd Year	5%	5%	1%	0%
3 rd Year	2%	1%	0%	0%
4 th Year	0%	0%	0%	0%

Health insurance of \$1,800 per year for a maximum of 4 years.

Plan B

<u>On or before</u>	<u>61</u>	<u>62</u>	<u>63</u>	<u>64</u>
1 st Year	11%	10%	8%	6%
2 nd Year	8%	8%	4%	0%
3 rd Year	5%	4%	0%	0%
4 th Year	3%	0%	0%	0%

M. Reimbursements

The District records reimbursable expenditures (or expenses) in the fund that makes the disbursement and records reimbursements as revenue to the fund.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Notes to Financial Statements
June 30, 2009

1. Summary of Significant Accounting Policies (Continued):

N. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrances accounting under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation is utilized in the governmental funds.

O. Restricted Assets

These consist of cash restricted for Agency Funds.

2. Transfers and Payments:

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service on a routine basis as authorized by Kansas Statutes. Resources are accumulated in a fund to support and simplify the administration of various projects or programs.

The District's operating transfers for June 30, 2009 were as follows:

<u>From</u>	<u>To</u>	<u>Kansas Statutory Authority</u>	<u>Amount</u>
General Fund	Special Education Fund	K.S.A. 72-6428	\$ 601,727
General Fund	At Risk Fund (K-12)	K.S.A. 76-6428	238,600
General Fund	Textbook Rental Fund	K.S.A. 76-6428	7,456
General Fund	Professional Development Fund	K.S.A. 76-6428	26,000
General Fund	Capital Outlay Fund	K.S.A. 76-6428	10,000
General Fund	Contingency Fund	K.S.A. 76-6428	100,000
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6433	195,115
Supplemental General Fund	Professional Development Fund	K.S.A. 72-6433	34,423
Supplemental General Fund	Special Education Fund	K.S.A. 72-6433	25,000
Supplemental General Fund	Food Service Fund	K.S.A. 72-6433	57,253
Supplemental General Fund	Textbook Rental Fund	K.S.A. 72-6433	17,357
Total			<u>\$ 1,312,931</u>

3. Comparative Data:

Comparative data for the prior year has been presented in Statements 3 of the accompanying financial statements in order to provide an understanding of changes in the District's cash and unencumbered cash balances. However, complete comparative data (presentation of prior year totals in Statements 1 and 2) has not been presented since their inclusion would make the statements unduly complex and difficult to read.

4. Risk Management - Claims and Judgments:

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has been unable to obtain workers' compensation insurance at a cost it considered to be economically justifiable. For this reason, the District joined together with other districts in the State to participate in the Kansas Association of School Boards (KASB), a public entity risk pool currently operating as a common risk management and insurance program for participating members.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Notes to Financial Statements
June 30, 2009

4. Risk Management - Claims and Judgments (Continued):

The District pays an annual premium to KASB for its workers' compensation insurance coverage. The agreement to participate provides that the KASB will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$500,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KASB's Risk Management Services' Management.

The District continues to carry commercial insurance for all other risks of loss, including property, general liability, inland marine, crime, umbrella, linebacker, auto and fidelity bond coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. At June 30, 2009, the financial statements do not include liabilities for anticipated costs.

5. Use of Estimates in the Preparation of Financial Statements:

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the statutory basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

6. Litigation:

The District is party to various legal proceedings, which normally occur in governmental operations. These proceedings are not likely to have a material adverse impact on the affected funds of the District.

7. Related Party Transactions:

The District leased copiers and purchased miscellaneous office supplies from Barton Office Systems, Inc., which is owned by the spouse of a board member. For the fiscal year ending June 30, 2009, the District expended \$19,006 for lease payments and office supplies. The District also expended \$35,150 on fuel and repairs with Ellinwood Coop which is managed by a board member.

8. Grants and Shared Revenues:

The District participates in numerous state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the District, any liability for reimbursement which may arise as the result of these audits is not believed to be material.

9. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, are recorded as expenditures during the year of purchase as required by state statutes.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Notes to Financial Statements
June 30, 2009

10. Stewardship, Compliance and Accountability:

- a. K.S.A. 72-6417 (d) and K.S.A. 72-6434(d) require the school district to record any payment of general state aid that is due to be paid during the month of June and is paid to the school district after June 30, as a receipt for the school year ending on June 30. Footnote 13 shows the revenue as required by these Statutes.
- b. Expenditures exceeded available monies in the following funds which are violations of K.S.A.10-113:

General Fund	\$2,360
Title I Fund	89

Although the Title I Fund is a Federal reimbursement program, the current year funding has been exhausted resulting in the statute violation listed above.

11. Prior Years' Debt Defeasement:

In 2005, the District defeased a portion of the General Obligation School Improvement Bond Series 2000 bond issue by creating a separate irrevocable trust fund. New debt has been issued and the proceeds have been used to purchase qualified securities that were placed in the trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the District's financial statements. Those bonds will be called for redemption and payment on September 1, 2010.

As of June 30, 2009, the amount of defeased debt outstanding but removed as a liability from the financial statements aggregated \$4,245,000 represented in full by General Obligation School Improvement Bond Series 2000 bonds.

12. Long-Term Debt:

The District has the following types of Long-Term Debt:

General Obligation bonds – On June 1, 2000, the District issued \$6,188,000 in Series 2000A bonds to renovate and improve District Buildings.

On August 1, 2005, the District issued \$4,245,000 in Series 2005 A refunding bonds for the purpose of providing funds for refunding \$4,110,000 in Series 2000A bonds.

Changes in long-term debt for the District at June 30, 2009 and current maturities of long-term debt and interest for the next five years and in five year increments are included on the next two pages.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
 Notes to Financial Statements
 For the Year Ended June 30, 2009

12. Long-Term Debt (Continued):

Changes in long-term liabilities for the year ended June 30, 2009 were as follows:

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Net Change</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
General Obligation Bonds:										
Building Bonds 2000 A	5.3%-8.0%	06/01/00	\$ 6,188,000	09/01/10	\$ 840,000	-	(265,000)	(265,000)	575,000	264,088
Refunding Bonds 2005 A	3.4%-4.3%	08/01/05	<u>4,245,000</u>	09/01/20	<u>4,245,000</u>	-	-	-	4,245,000	-
Total Contractual Indebtedness			10,433,000		5,085,000	-	(265,000)	(265,000)	4,820,000	264,088
Compensated Absences	N/A	N/A	<u>N/A</u>	N/A	<u>27,222</u>			(6,385)	20,837	-
Total Long-Term Debt			<u>\$ 10,433,000</u>		<u>\$ 5,112,222</u>	<u>-</u>	<u>(265,000)</u>	<u>(271,385)</u>	4,840,837	<u>264,088</u>

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Notes to Financial Statements
For the Year Ended June 30, 2009

12. Long-Term Debt (Continued):

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	Year							
	2010	2011	2012	2013	2014	2015 - 2019	2020 - 2021	Total
Principal:								
General Obligation Bonds -								
Building Bonds 2000	\$ 280,000	295,000	-	-	-	-	-	575,000
Refunding Bonds 2005	-	-	355,000	370,000	385,000	2,145,000	990,000	4,245,000
Total Principal Payments	280,000	295,000	355,000	370,000	385,000	2,145,000	990,000	4,820,000
Interest:								
General Obligation Bonds -								
Building Bonds 2000	244,808	118,064	-	-	-	-	-	362,872
Refunding Bonds 2005	-	-	164,805	152,735	139,785	473,475	63,800	994,600
Total Interest Payments	244,808	118,064	164,805	152,735	139,785	473,475	63,800	1,357,472
Total Principal and Interest Payments	\$ 524,808	413,064	519,805	522,735	524,785	2,618,475	1,053,800	6,177,472

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Notes to Financial Statements
June 30, 2009

13. Compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d):

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) require the District to record any payment of general state aid that is due to be paid during the month of June and is paid to the District after June 30, as a receipt for the school year ending on June 30. The following pages show the revenue as required by the Statutes.

General Fund
Statutory Revenues and Expenditures - Statutory and Budget
For the Year Ended June 30, 2009

	<u>Statutory Transactions</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Statutory Revenues:			
Taxes and Shared Revenue	\$ 634,939	606,994	27,945
Intergovernmental Revenue-			
State Special Education	443,078	468,292	(25,214)
Equalization Aid	2,499,625	2,640,394	(140,769)
Reimbursed Expenses	36,733 a)	-	36,733
Total Statutory Revenues	<u>3,614,375</u>	<u>3,715,680</u>	<u>(101,305)</u>
Expenditures:			
Instruction	1,566,531	1,893,440	326,909
Student Support Services	38,659	30,117	(8,542)
Instructional Support Staff	5,336	9,000	3,664
General Administration	195,251	258,908	63,657
School Administration	259,395	260,508	1,113
Operations and Maintenance	327,535	257,876	(69,659)
Student Transportation Services	121,252	102,500	(18,752)
Community Service Operations	116,562	146,124	29,562
Operating Transfers Out	983,783	763,474	(220,309)
Adjustment to Comply with Legal Max	-	(144,307)	(144,307)
Legal General Fund Budget	<u>3,614,304</u>	<u>3,577,640</u>	<u>(36,664)</u>
Adjustment for Qualifying Budget Credits	-	36,733 a)	36,733
Total Expenditures	<u>3,614,304</u>	<u>3,614,373</u>	<u>69</u>
Statutory Revenues Over (Under) Expenditures	<u>71</u>		
Modified Unencumbered Cash, July 1	<u>(2,431)</u>		
Modified Unencumbered Cash, June 30	<u>\$ (2,360)</u>		

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355

ELLINWOOD, KANSAS

Notes to Financial Statements

June 30, 2009

13. Compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d) (Continued):

Supplemental General Fund
Statutory Revenues and Expenditures - Statutory and Budget
For the Year Ended June 30, 2009

	Statutory Transactions	Budget	Variance Favorable (Unfavorable)
Statutory Revenues:			
Taxes and Shared Revenue	\$ 701,110	633,948	67,162
Intergovernmental Revenue- Equalization Aid	<u>262,483</u>	<u>262,483</u>	<u>-</u>
Total Statutory Revenues	<u>963,593</u>	<u>896,431</u>	<u>67,162</u>
Expenditures:			
Instruction	254,542	240,602	(13,940)
General Administration	4,050	-	(4,050)
Operations and Maintenance	328,109	143,000	(185,109)
Operating Transfers Out	<u>329,148</u>	<u>532,248</u>	<u>203,100</u>
Total Expenditures	<u>915,849</u>	<u>915,850</u>	<u>1</u>
Statutory Revenues Over (Under) Expenditures	47,744		
Modified Unencumbered Cash, July 1	<u>53,729</u>		
Modified Unencumbered Cash, June 30	<u>\$ 101,473</u>		